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Decoding the mixed crypto signals in Trump's new term
By Rob Burgess
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When President Donald Trump was running for president last year, the cryptocurrency community was optimistic about his candidacy.

Trump had been skeptical of bitcoin as recently as a few years ago.

"Bitcoin, it just seems like a scam," he told Fox Business in 2021. "I don't like it because it's another currency competing against the dollar."

But over time his tune changed. On the campaign trail for a second term in 2024, he promised clear cryptocurrency regulations, a ban on central bank digital currencies (or CBDCs, a "digital form of central bank money") and the establishment of a strategic national bitcoin stockpile.

After winning on Election Day and taking the oath of office for a second time last week, Trump signed a digital assets executive order on Jan. 23. While the order fulfilled some campaign promises on regulation and CBDCs, it stopped short of creating a bitcoin reserve, instead establishing a working group to "evaluate the potential creation and maintenance of a national digital asset stockpile and propose criteria for establishing such a stockpile, potentially derived from cryptocurrencies lawfully seized by the federal government through its law enforcement efforts."

The price of bitcoin had been soaring since Trump's victory in November, reaching an all-time high this past weekend. It dipped precipitously before nearly recovering this week, along with the rest of the market, as Chinese artificial intelligence company DeepSeek shocked the technology industry.

Meanwhile, just before Inauguration Day, Trump launched his own $TRUMP "meme coin" (a cryptocurrency usually with its roots in an internet meme); First Lady Melania Trump did the same with $MELANIA. The $TRUMP coin skyrocketed two days after its introduction to a high of $72.62; the price at the time of writing sits at around $28. Similarly $MELANIA, introduced Jan. 19 at $8.48, quickly hit $13.05 on Inauguration Day; its price now sits at just above $2.

What do all the recent changes in the crypto landscape signal to advisors, and to those involved in bitcoin or wider crypto investing?

Crypto pros and cons
Charles John NeSmith, portfolio manager at Tobias Financial Advisors in Fort Lauderdale, Florida, said none of this recent news has chipped away at his resolute pessimism around cryptocurrency.

"I have never been on the crypto train," he said. "I do not see any crypto as a form of an investment and much prefer holding great businesses through public equities."

Daniel E. Milks, co-founder and operations officer of Woodmark Wealth Management in Greenville, South Carolina, said his wariness on crypto in client portfolios hasn't changed under the new Trump administration.

"Crypto remains a speculative asset class, and for most clients, it's not suitable for long-term investment goals or risk tolerance," he said. "While blockchain technology shows promise, the volatility of cryptocurrencies makes them a niche holding, and only for clients who fully understand the risks."

For Ben Kurland, CEO of crypto research and charting platform DYOR, cryptocurrency has potential as a high-risk, high-reward asset class.

"What has changed is the urgency for investors to separate hype from substance," he said. "Crypto in retail portfolios must shift from speculative gambling to strategic inclusion, focusing on projects with clear utility and strong fundamentals. The days of riding meme coin waves should be behind us."

Adam O'Brien, founder and CEO of Bitcoin Well, an cryptocurrency exchange for high-volume transactions, said he feels it's "incredibly risky not to own any bitcoin."

"It is still my belief that crypto, broadly, will inevitably fizzle out but bitcoin will be here forever," he said.

Sell-off related to AI-heavy markets

Crypto's volatility post-Inauguration Day reflects broader market trends rather than political shifts, said Milks.

"Rising interest rates, economic uncertainty, and regulatory scrutiny have had a greater impact on crypto prices than any single political event," he said.

NeSmith said the recent sell-off was highly correlated to the AI stock craze and "reflects a combination of market and political dynamics."

This recent uncertainty is largely driven by the overall risk-off sentiment in markets related to DeepSeek AI and should be seen through the lens of short-term volatility, said May Wong, co-founder of global digital currency exchange SoSoValue.

"Markets may see some chop over the coming months, but the long-term thesis remains intact, and most retail investors should see this as a buying opportunity rather than signs of the end," she said.

The optimism surrounding crypto leading up to Inauguration Day was built on hope, not substance, said Kurland.

"Markets thrive on certainty, and the mixed signals from Trump's administration on crypto regulation, paired with macroeconomic headwinds, have investors on edge," he said. "It's not a loss of faith in crypto, but a pause to reassess the noise from the signal."

O'Brien said the macro market picture affects bitcoin and this was "a bit of a 'sell-the-news' event."

"This is a good thing," he said. "Bitcoin is here for the next millennia or two. It is not some get-rich-quick day-trading opportunity. Imagine trying to day-trade Miami beachfront in 1950."

Executive order mostly seen as a promising first step, with caveats
Trump's executive order on crypto is a double-edged sword, said Kurland.

"On one hand, it promises much-needed regulatory clarity," he said. "On the other, the language feels rushed and reactionary, leaving open questions about implementation. While it signals a step toward legitimacy, true progress depends on whether the execution fosters innovation or stifles it under bureaucracy."

Trump has proven to be a pro-crypto president in his short time in office, said Wong.

"The executive order itself is light on specifics, but is a signal that the new regime wants to work with the industry in a much more meaningful way than before," she said. "That is likely to be a win-win for all involved."

O'Brien said he sees the new administration as investigating ways to support crypto investing, and that's "extremely positive" in his eyes.

"I think it's certainly better than what we had," he said. "That said, I haven't seen anything really come from it yet."

While clarity around regulations is welcome, Milks said the details and implementation will be key.

"If the order promotes responsible oversight and reduces fraud, it could enhance crypto's legitimacy," he said. "However, overregulation could stifle innovation, and with crypto's tumultuous history — including the FTX collapse — it's clear this market is far from being a trustworthy or stable investment space."

Presidential meme coins draw disdain
Universal among both crypto proponents and detractors was their collective disgust for the recently released $TRUMP and $MELANIA meme coins.

The launches are emblematic of the meme coin craze that threatens to undermine crypto's credibility, Kurland said. While the coins may spark short-lived enthusiasm, he said, they distract from the real value crypto offers, including decentralized finance and cross-border payments.

"The industry doesn't need gimmicks, it needs innovation and trust," he said. "If we want legitimacy, we must focus on building, not branding."

O'Brien said there is an ever-expanding split between bitcoin and everything else.

"These meme coins are scams — even the president's — and that should be very obvious to people," he said. "I hope they look at ethereum and XRP with the same lens and can see bitcoin is different from the rest."

NeSmith said meme coins make regulation more difficult and "water crypto down tremendously."

To Milks, the $TRUMP and $MELANIA coins highlight the "speculative, almost gamified nature of some parts of the crypto market."

"While they may generate short-term buzz, they do little to enhance the legitimacy of crypto as a serious investment," he said. "These coins reinforce the importance of caution when considering crypto investments and the need to focus on utility rather than hype."